

TEACHERS' RETIREMENT BOARD  
BENEFITS AND SERVICES COMMITTEE

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SUBJECT: Approval of Minutes of  
June 4, 1998 Meeting

ITEM NUMBER:   2  

ATTACHMENT(S):   1  

ACTION:   X  

DATE OF MEETING: July 9, 1998

INFORMATION:           

PRESENTER(S): Chairperson

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Please see the attached minutes of the June 4, 1998, Benefits and Services Committee meeting.

## **PROPOSED**

MINUTES OF THE  
BENEFITS AND SERVICES COMMITTEE MEETING  
OF THE  
STATE TEACHERS' RETIREMENT SYSTEM  
THURSDAY, JUNE 4, 1998  
ROBYN D. MILLER BOARD ROOM  
7667 FOLSOM BOULEVARD  
SACRAMENTO, CALIFORNIA

### **COMMITTEE MEMBERS PRESENT**

Yvonne Gallegos Bodle, Chairperson

Gary Lynes

Marty Mathiesen

Lillian Raffel

Emma Zink

Fred Buenrostro, representing the State Controller, Kathleen Connell

Richard Whitmore, representing the Superintendent of Public Instruction, Delaine Eastin

### **OTHER BOARD MEMBERS PRESENT**

George Fenimore

Michael Mayer

### **STAFF PRESENT**

James D. Mosman, CEO

Michael Carter, DCEO, Client Benefits and Services

Christopher W. Waddell, Chief Counsel

Ronald E. Meador, Senior Counsel

Jennifer DuCray-Morrill, DCEO, GAPD

Laurence Martin, DCEO, Information and Financial Systems

Peggy Plett, DCEO, Administration

Ken Costa, Director of START Project

Sandra Olivo, Chief, Disability and Survivor Benefit Services

Peggy Tanner, Disability Services

Jan Vine, Executive Assistant

### **OTHERS PRESENT**

Emogene Doyel

Thomas Walker, Attorney

Beverly Carlson, CTA

Ellen Logue, CTA (retired)

A quorum being present, Chairperson Bodle called the meeting to order at 8:45 a.m.

II. **APPROVAL OF MINUTES OF MAY 7, 1998**

MOTION duly made by Mr. Mathiesen, seconded by Ms. Raffel, and carried to approve the Minutes of the Benefits and Services Committee meeting of May 7, 1998.

III. **ANNOUNCEMENTS**

There were no announcements.

IV. **CONSENT AGENDA**

Mr. Mealor asked that the Emogene Doyel case be heard separately.

MOTION duly made by Mr. Buenrostro, seconded by Ms. Raffel, to remove the Emogene Doyel case from the Consent Agenda and act on the case at a later date. After discussion, Ms. Raffel withdrew her second. Motion died. Discussion ensued.

MOTION duly made by Mr. Buenrostro, seconded by Ms. Zink and carried to remove the Emogene Doyel case from the Consent Agenda and hear the case after the Consent Agenda is acted on.

Mr. Mealor presented the remaining Consent item and requested that the Committee adopt the Proposed Decision: Request to Reverse Denial of Disability Retirement Application for Marilyn Wroten, Accepted.

MOTION duly made by Ms. Raffel, seconded by Mr. Buenrostro, to accept the Proposed Decision on Marilyn Wroten as presented.

Ms. Doyel and her attorney, Thomas Walker, asked that the Committee reconsider this case as critical evidence was not considered at the Administrative Hearing and is not reflected in the Proposed Decision.

Staff advised the Committee that if it wanted to consider the claims made by Ms. Doyel, it should reject the Administrative Law Judge's Proposed Decision, order the transcript of the Hearing and make a decision based on the transcript at a subsequent meeting. Discussion ensued.

MOTION duly made by Mr. Buentrostro, seconded by Mr. Lynes, and carried to reject the Administrative Law Judge's Proposed Decision, order the transcript of the Hearing and make a decision based on the transcript at a subsequent meeting.

V. **CAROL A. St. JOHN, CONSIDERATION OF PROPOSED DECISION**

Ms. Olivo and Mr. Mealor presented this case and asked the Committee to reject the ALJ's Proposed Decision in its entirety, order the transcript of the Hearing and make a decision based on the transcript at a subsequent meeting. Discussion ensued.

MOTION duly made by Ms. Raffel, seconded by Mr. Whitmore, and carried to accept staff recommendation.

VI. **DORIA GUTIERREZ – HEARING ON THE TRANSCRIPT**

Mr. Meador presented this case. Mrs. Gutierrez and Mr. Michael Lotta, her attorney, were notified of the meeting and neither attended. The Committee, the Deputy AG and Mr. Lotta received materials previous to the meeting. There are two issues: 1) Whether Respondent is entitled to receive a disability benefit based on service performed during her final compensation period in excess of 1.000 per year, and 2) Whether the System is entitled to recoup the overpayment incurred prior to the reduction in Respondent's monthly allowance in the amount of \$33,107.67.

Chairperson Bodle recessed the meeting at 9:30 a.m. and the Committee returned at 9:40 a.m. Messrs. Fenimore and Mayer did not return.

MOTION duly made by Mr. Lynes, seconded by Ms. Raffel, and carried, that: 1) Ms. Gutierrez is not entitled to receive a disability benefit based on service performed during her final compensation period in excess of 1.000 per year; 2) the System is required by law to collect the overpaid allowance from Ms. Gutierrez' corrected monthly allowance at the rate of five percent; and 3) Staff is to prepare a Decision in accordance with the Committee's decision for signature by Chairperson Bodle after the Board meeting.

Roll Call Vote:

Lillian Raffel – Yes

Richard Whitmore – Abstain

Gary Lynes – Yes

Emma Zink – Yes

Yvonne Gallegos Bodle – Yes

Fred Buenrostro – Abstain

Marty Mathiesen – Yes

Motion carried. Staff were also directed to notify Mrs. Gutierrez and her attorney in writing of the decision and inform them of the further options.

VII. **ADOPTION OF RATES**

Ms. DuCray-Morrill presented this item and requested the Committee adopt the proposed rates for Fiscal Year 1998/99.

Mr. Buenrostro inquired as to the difference of .50 percent in the Credited Interest Rate for Defined Benefit Plan and the Credited Interest Rate for Cash Balance Plan. Staff will consider next year.

MOTION duly made by Ms. Zink, seconded by Mr. Mathiesen, and carried to adopt the Regular Interest Rate of 6.75 percent; the Contribution Rate for Additional Service Credit of 15.79 percent; the Employer Contribution Rate for Reduced Workload Program of 8.25 percent; the Employer Contribution Rate for Elected Officials of Employee Organization of 12.28 percent; the Credited Interest Rate – Defined Benefit Plan of 6.00 percent; and the Credited Interest Rate – Cash Balance Plan of 6.50 percent for Fiscal Year 1998/99 as presented.

VIII. **ADOPTION OF LUMP SUM DEATH PAYMENT ADJUSTMENT**

Ms. DuCray-Morrill presented this item. The Teachers' Retirement Law permits the Board to adjust the death payment following each actuarial valuation, based upon changes in the All Urban California Price Index. The System's actuarial status has improved and an increase of the death payment amounts at this time would not have a negative impact on the System funding.

MOTION duly made by Mr. Mathiesen, seconded by Ms. Zink, and carried to adopt the adjusted lump sum death payment amounts to be effective July 1, 1998 as presented.

IX. **WARRANT STUB MESSAGE – JULY 1, 1998**

Mr. Carter presented this item.

X. **LEVEL OF SERVICE STANDARDS**

Mr. Carter presented this item

XI. **OPPORTUNITY FOR STATEMENTS FROM THE PUBLIC**

There were none.

**ADJOURNMENT**

There being no further business to conduct, Chairperson Bodle adjourned the meeting at 10:00 a.m.

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James D. Mosman, Chief Executive Officer  
Secretary to the Teachers' Retirement Board

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Yvonne Gallegos Bodle, Chairperson

